(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) and (b) It is a fact that prices of certain essential commodities such as wheat, pulses and sugar have registered an upward trend during the past two years. The main reasons for the rise in prices are shortfall in domestic supplies relative to demand and hardening of international prices.

Improvement in PDS

299. SHRI EKANATH K. THAKUR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that there has been no improvement in performance of public distribution system despite the various measures taken to improve efficiency, accountability and effectiveness;

(b) whether it is also a fact that efforts to innovate and reduce costs have not yielded the desired gains and the cost of decentralised procurement in many States are higher than that of the direct procurement operations of the Food Corporation of India; and

(c) if so, the steps Government propose to take to reduce the losses in PDS?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) No, Sir. The increasing trend of offtake of foodgrains year after year shows the improvement in the performance of Public Distribution System in the country.

(Lakh tonnes)

All India basis	Offtake of foodgrains year-wise			
	2003-04	2004-05	2005-06	2006-07 (upto 8/06)
	239.31	293.55	311.05	127.60

(b) and (c) The scheme of decentralized procurement scheme (DPS) of foodgrains was introduced in 1997-98 with a view to enhance the efficiency of procurement and PDS and to encourage local procurement to the

maximum extent, thereby extending the benefits of Minimum Support Price to local farmers. This scheme also enables supply of foodgrains more suited to the local taste under PDS and it helps to reduce the transportation and transit costs of the Food Corporation of India. Since transportation cost forms substantial part of FCI's distribution costs and consequently of economic cost (as most of the foodgrains is procured in Punjab and Haryana and transported to other States) it was envisaged that DCP operation would result in overall savings of subsidy reducing transportation cost.

FCI's economic cost is fixed on all India basis and economic cost for DCP States is fixed State-wise. Many items in the economic cost e.g. statutory charges, transportation charges, handling charges etc. vary from State to State and therefore economic cost also vary State to State and any State's economic cost is not comparable to FCI's economic cost.

Production of sugar

†300. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the production of sugar during the sugarcane crushing period of 2006-07 is being estimated to be more than sugar consumption in the country;

(b) if so, what would be the estimated sugar production in different States and to what extent it would be more or less in comparison to the last year's production; and

(c) the minimum purchase price of sugarcane fixed for the sugarcane producers of each State?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI AKHILESH PRASAD SINGH): (a) and (b) The preliminary estimates of sugar production in 2006-07 sugar season (October-September) are placed at 227.34 lakh tonnes as against production of 193.21 lakh tonnes (Provisional) in 2005-06 season. The internal consumption in 2006-07 is provisionally estimated at about 190 lakh tonnes. A statement showing State-wise

†Original notice of the question was received in Hindi.